

1 State of Arkansas
2 94th General Assembly
3 Regular Session, 2023
4

A Bill

HOUSE BILL 1382

5 By: Representatives Lundstrum, Clowney, C. Cooper, Crawford, V. Flowers, G. Hodges, Pilkington,
6 Scott, Unger
7 By: Senators B. Davis, J. Bryant, C. Penzo, Irvin, C. Tucker, G. Leding
8

For An Act To Be Entitled

10 AN ACT TO CREATE THE REBOOT PILOT PROGRAM; TO DEFINE
11 "QUALIFYING FORMER OFFENDER"; TO CREATE AN INCOME TAX
12 CREDIT FOR BUSINESSES THAT HIRE A QUALIFYING FORMER
13 OFFENDER; AND FOR OTHER PURPOSES.
14
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Subtitle

16 TO CREATE THE REBOOT PILOT PROGRAM; AND
17 TO CREATE AN INCOME TAX CREDIT FOR
18 BUSINESSES THAT HIRE CERTAIN FORMER
19 OFFENDERS.
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23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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25 SECTION 1. DO NOT CODIFY. Legislative findings.

26 The General Assembly finds that:

27 (1) According to the Department of Corrections:

28 (A) "Recidivism" is defined as a parole violation
29 resulting in an additional sentence, a technical violation of the terms of
30 early release, or a new sentence resulting in incarceration subsequent to a
31 discharge. Recidivism rates are calculated using the nationwide correctional
32 standard timeframes of six-, twelve-, and thirty-six-month follow-up periods;
33 and

34 (B) Nearly fifty-one percent (51%) of Arkansas state
35 prisoners who were released in 2017 were rearrested within three (3) years
36 upon release;



1 (2) According to the Bureau of Justice Statistics, sixty-two
 2 percent (62%) of state prisoners across thirty-four (34) states who were
 3 released in 2012 were rearrested within three (3) years of release and
 4 seventy-one percent (71%) were rearrested within five (5) years of release;

5 (3) The recidivism rate in the United States and Arkansas is
 6 staggeringly high and raises questions about how our correctional system can
 7 be improved;

8 (4) Many people recently released from incarceration receive
 9 minimal preparation for release, receiving little assistance and few
 10 resources, all of which makes it difficult for those recently released from
 11 incarceration to acclimate to society; and

12 (5) Research suggests that former inmates are likely to leave
 13 prison with a mentality of living paycheck-to-paycheck, have no savings or
 14 bank account, and have few job prospects.

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 16 SECTION 2. Arkansas Code Title 26, Chapter 51, Subchapter 5, is
 17 amended to add an additional section to read as follows:

18 26-51-517. The Reboot Pilot Program – Definition.

19 (a) This section shall be known and may be cited as "The Reboot Pilot
 20 Program".

21 (b)(1) As used in this section, "qualifying former offender" means an
 22 individual who was:

23 (A) Convicted of a state or federal felony offense;

24 (B) Incarcerated for the felony offense; and

25 (C) Released from his or her first term of incarceration
 26 for the felony offense within twelve (12) months before the date on which he
 27 or she was hired as an employee.

28 (2) "Qualifying former offender" includes an individual who has
 29 been incarcerated for a violation of the conditions of his or her
 30 supervision.

31 (c)(1) There is allowed an income tax credit against the income tax
 32 imposed by this chapter in the amount determined under subsection (d) of this
 33 section for each qualifying former offender employed by the taxpayer for at
 34 least forty (40) hours per week at pay that is at or above the state minimum
 35 wage.

36 (2) If the amount of the income tax credit allowed under this

1 section exceeds the taxpayer's income tax liability, the excess shall be
2 refunded to the taxpayer.

3 (d) The tax credit provided for under subsection (c) of this section
4 shall be calculated as follows:

5 (1) A credit of three thousand dollars (\$3,000) is allowed a
6 taxpayer in any tax year when a qualifying former offender completes twelve
7 (12) consecutive months of employment with the taxpayer;

8 (2) A credit of two thousand dollars (\$2,000) is allowed a
9 taxpayer in any tax year when a qualifying former offender completes twenty-
10 four (24) consecutive months of employment with the taxpayer; and

11 (3) A credit of one thousand dollars (\$1,000) is allowed a
12 taxpayer in any tax year when a qualifying former offender completes thirty-
13 six (36) consecutive months of employment with the taxpayer.

14 (e) To be eligible for the tax credit stated in this section:

15 (1) The taxpayer shall:

16 (A) Register with the Division of Workforce Services as a
17 participant in The Reboot Pilot Program;

18 (B) At the end of twenty-four (24) months of the
19 qualifying former offender's consecutive employment, enroll the qualifying
20 former offender in the health insurance plan offered by the taxpayer if the
21 taxpayer offers a health insurance plan to other employees;

22 (C) Ensure that each qualifying former offender is
23 randomly drug tested; and

24 (D) Certify to the Department of Finance and
25 Administration the total amount of hours worked by and wages paid to each
26 qualifying former offender employed by the taxpayer in the taxable year for
27 which the taxpayer claims the income tax credit provided under this section;
28 and

29 (2) The qualifying former offender shall:

30 (A) Register with the division as a participant in The
31 Reboot Pilot Program;

32 (B) During the first twenty-four (24) months of
33 consecutive employment with the taxpayer, enroll in the health insurance
34 program offered through the Arkansas Works Program, or its successor program,
35 if the qualifying former offender is otherwise eligible; and

36 (C) Agree to be randomly drug tested.

1 (f)(1) The Department of Finance and Administration may promulgate
2 rules to carry out the provisions of this section.

3 (2) If the Department of Finance and Administration promulgates
4 rules under subdivision (f)(1) of this section, the Department of Finance and
5 Administration shall consult with the Division of Workforce Services, the
6 Department of Human Services, and the Department of Corrections on the
7 content of the rules.

8 (g) The Division of Workforce Services shall not allow more than one
9 thousand (1,000) qualifying former inmates to be registered under subsection
10 (e) of this section at any given time.

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12 SECTION 3. DO NOT CODIFY. Rules.

13 (a) When adopting the initial rules required under this act, the
14 Department of Finance and Administration shall file the final rules with the
15 Secretary of State for adoption under § 25-15-204(f):

16 (1) On or before January 1, 2024; or

17 (2) If approval under § 10-3-309 has not occurred by January 1,
18 2024, as soon as practicable after approval under § 10-3-309.

19 (b) The Department of Finance and Administration shall file the
20 proposed rules with the Legislative Council under § 10-3-309(c) sufficiently
21 in advance of January 1, 2024, so that the Legislative Council may consider
22 the rules for approval before January 1, 2024.

23
24 SECTION 4. EFFECTIVE DATE. Section 2 of this act is effective for tax
25 years beginning on or after January 1, 2024.